*Your Financial Partner @ Work*

# Management Assertion - FBWT & Accounts Receivable

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Integrity - Innovation - Service

# Major Tasks - FBWT

- Develop plan of actions and milestones for management assertion process
- Prepare and accumulate documentation
  - Document end-to-end process
  - Document audit requirements
  - Document Management Assertion Checklist requirements
    - Systems documentation
    - Listings
    - Evidential matter
- Correct deficiencies - DoN Mid-Range FIP
  - Undistributed
  - NWCF Cash Rebuild
  - Reconciliations
  - Check Issue differences
  - Deposit statements of difference
  - IPAC statements of difference

# Undistributed - Largest Obstacle to Overcome FBWT

- Categories
  - Suspense accounts
  - Unmatched disbursements
  - In-transit transactions
  - Unsupported undistributed
- Actions
  - Track and identify undistributed
  - Ongoing root cause analysis of inflow
  - Implementation of corrective actions
    - Business process changes
    - System changes
  - Resolve existing erroneous transactions
  - Track progress via performance measures

# Status of DON Delinquent A/R

Greater than 2 Year Delinquent:

| | 9/30/04 | 9/30/04 | % Reduction |
|---|---|---|---|
| Public | 146M | 59M | 60% |
| Intra'l | 70M | 6M | 91% |
| Total | 216M | 65M | 70% |

Total Delinquent:

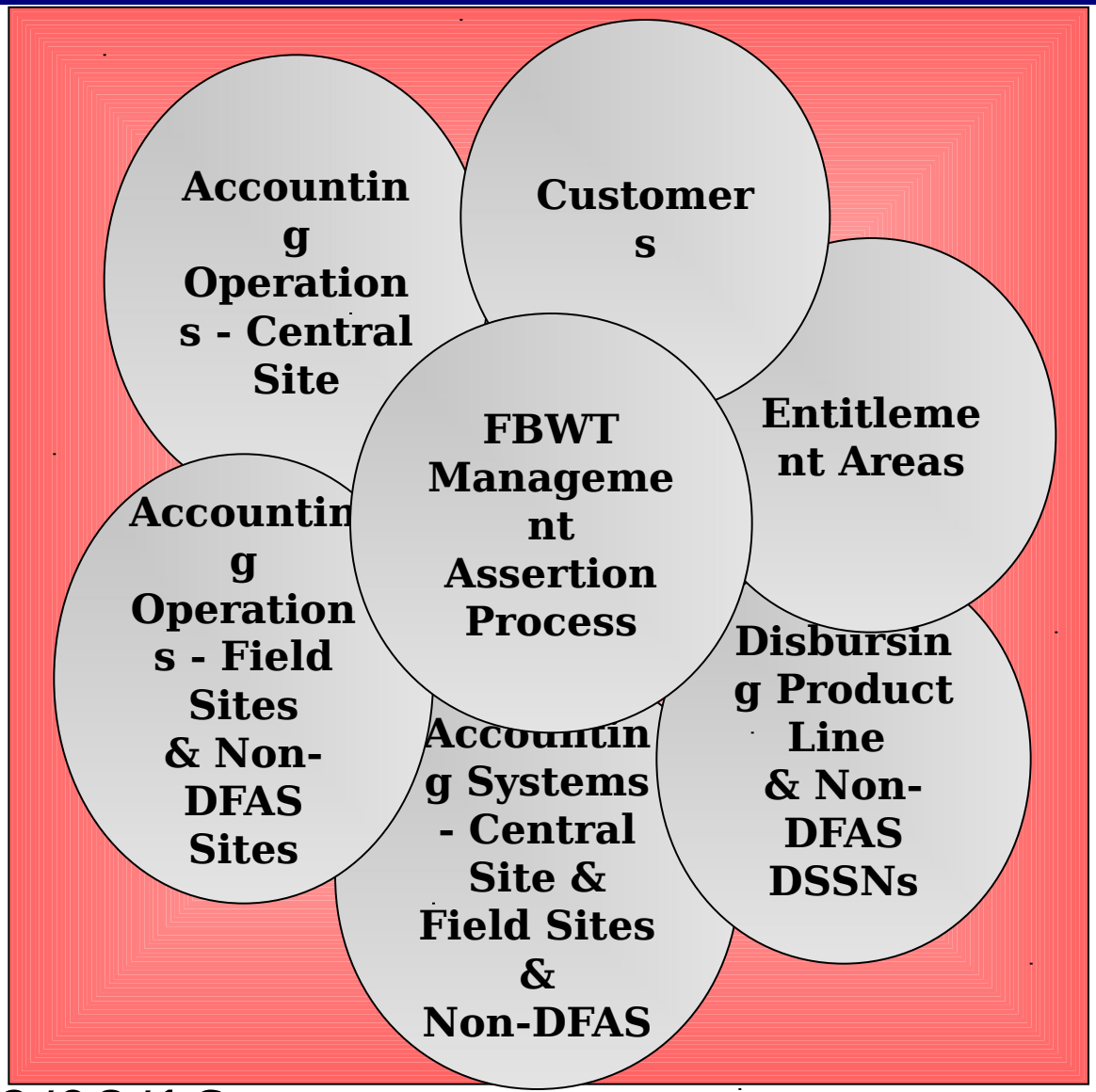
| | 9/30/03 | 9/30/04 | % Reduction |
|---|---|---|---|
| Public | 269M | 217M | 19% |
| Intra'l | 681M | 170M | 75% |
| Total | 950M | 387M | 59% |

(Does Not Include Amounts at Treasury, DOJ, Litigation, Bankruptcy)

# Resolution of Delinquent A/R

- Identify Root Causes:
  - Systems Problems.
  - Missing or Closed LOA.
  - Awaiting Funding Documents from DON Fund Administrator.
  - Request Write off Approval and Current Appropriation to Write off.
- Developing a Joint DFAS/DON “Statement of Expectations”
- Develop Metrics to Track Progress
  - Measure Public > 1 Yr. and >2 Yrs.
  - Measure Intragovernmental > 1 Yr. and > 2 Yrs.
  - Measure Public > 180 Days Delinquent Not Referred for Debt Collection
  - Measure Intra > 9 Mo. Not Referred to DON FA for Write off or Referral to OSD.

# Joint Effort


Accounting Operations - Central Site
Customers
FBWT Management Assertion Process
Entitlement Areas
Accounting Operations - Field Sites & Non-DFAS Sites
Accounting Systems - Central Site & Field Sites & Non-DFAS
Disbursing Product Line & Non-DFAS DSSNs

- ***Both DFAS & Navy have a role***
- ***Many different business areas are impacted***
- ***Requires joint effort by all parties***
- ***"The process is only as good as its weakest link"***

# DFAS

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